

August 19, 2016



JPMorgan Chase Bank, N.A.
2200 Ross Avenue, Floor 6
Dallas, Texas 75201

Attn: Mr. Tom Palmer
P: (214) 965-4208
E: thomas.p.palmer@chase.com

Re: **Proposal for Limited Site Investigation**
Jeffrey Dean McConnell Site
3700 East 38th Street
Tucson, Pima County, Arizona 85713
Terracon Proposal No.: P63167085
Chase RIMS No.: 53-16-01188-001

Dear Mr. Palmer:

Terracon Consultants, Inc. (Terracon) appreciates the opportunity to submit this proposal to perform a limited site investigation (LSI) at the above referenced project site. This proposal outlines our understanding of the project and scope of services and provides our lump sum fee.

A. PROJECT INFORMATION

The site is located at 3700 East 38th Street in Tucson, Arizona, consists of one parcel (APN 132-04-0860) and covers approximately 0.24 acre. At the time our recent Phase I Environmental Site Assessment (ESA) was prepared, Carballo Painting, an automotive body shop, repair and painting operation, occupied the facility.

Terracon prepared a Phase I ESA (Terracon Project No. 63167083, dated August 19, 2016) of the site for JPMorgan Chase Bank, N.A. The Terracon Phase I ESA Report identified the following RECs at the site:

- Potential former hydraulic lifts located within the service bays
- Potential former septic system located at the site
- Soil staining, and potential for release of paints and/or automotive fluids to bare soils from historic automotive operations

Subsequently, Terracon recommended additional investigation to evaluate whether the identified RECs have impacted the site.

Please note that the Scope of Work outlined in this proposal is only intended to assess for potential impacts from the aforementioned RECs and does not include the removal of or disposal of salvage materials, equipment, and other materials from the site.

B. SCOPE OF SERVICES

Terracon has developed the following scope of work to further assess RECs identified at the site.

Health and Safety Plan

Terracon will develop and prepare a site specific Health and Safety Plan (HASP) to address worker safety issues per Occupational Safety and Health Administration (OSHA) requirements. Level D personnel protection, which typically includes safety glasses, protective gloves, safety boots, and hard hat, has been assumed for this project. A portable photoionization detector (PID) will be used to monitor the breathing zone air in work areas and to field screen selected soil samples for the presence of volatile organic compounds (VOCs). We have not included in this proposal, nor do we anticipate, additional costs associated with higher levels of personnel protection. The HASP will be prepared in accordance with 29 CFR 1910.



At Terracon, we all have a personal and uncompromising commitment to everyone going home safely each and every day. Our safety program, *Incident and Injury Free*® (IIF) is about care and concern for people. It is our personal and organizational commitment at all levels of the company and is where safety is held as a core value as well as an operational priority. Working safely is an inseparable part of working correctly, just as much as other operational priorities, in particular quality, profitability and schedule. As part of our IIF process, we will prepare a "Pre-Task Plan" to identify the potential site safety and job hazards associated with the work proposed at this site. Prior to commencement and during the on-site activities, we will re-evaluate potential job hazards and appropriate safe working procedures.

Photoionization Detector

Terracon will maintain a PID during sample collection to monitor breathing zones for potential volatile vapors. This will alert the onsite crew to the potential for contamination that could elevate the level of personal protective equipment (PPE) required. This will also allow for field screening of the samples.

Field Activities and Sampling Program

Task 1 - Underground Utility Location

Following receipt of your award letter and no later than 48 hours prior to intrusive activities, Terracon will contact Arizona 811 to arrange for public underground utility locates at the above referenced site. Location of private lines on the property is not part of the Arizona 811. A private utility locator will be subcontracted to aid in line location prior to intrusive activities. Terracon is

not responsible for private utility damage, if any occurs, during this investigation. A property owner's representative is required to provide coordination with tenants, access inside the building, and approve the proposed boring locations so that they do not damage private buried utilities and improvements.

Task 2 - Soil Sampling

Terracon proposes to advance a total of two (2) soil borings inside the building and three (3) soil borings along the exterior of the building using a Big Beaver limited access drill rig with continuous flight hollow-stem auger. The two interior borings will be installed to a depth of 12 to 13.5 feet bgs in close proximity to the suspect in-ground hydraulic lifts located within the service bay. The exterior borings will be advanced to a depth of 12 to 13.5 feet bgs in the following locations: in the unpaved area on the northwest portion of the site; the unpaved area on the south east portion of the site; and immediately east of the paved area on the south portion of the site (possible former location of septic system and leach field).

Samples will be collected from the interior borings at depths of 4 to 5.5 feet, 8 to 9.5 feet, and 12 to 13.5 feet bgs (or encountered refusal) (3 samples per interior boring, 6 samples total collected). It is proposed that a total of two (2) samples will be selected for laboratory analysis: one (1) sample from each boring. The samples will be field-screened with a PID to detect the presence of volatile organic compounds (VOCs). The laboratory samples will be selected based upon PID responses, staining, odors, or changes in subsurface lithology. Samples selected for analysis from the interior borings will be analyzed for polycyclic aromatic hydrocarbons (PAHs) and polychlorinated biphenyls (PCBs).

Samples will be collected from the exterior boring at depths of 1 to 2.5 feet bgs and 4 to 5.5 feet bgs, and 12-13.5 feet bgs (or encountered refusal) (3 samples per exterior boring, 9 samples total collected). The samples will be field-screened with a PID to detect the presence of VOCs. Samples collected from the exterior borings will be analyzed for PAHs, VOCs, and automotive-related metals (lead, cadmium, and chromium). It is proposed that a total of three (3) samples will be selected for laboratory analysis: one (1) sample from each boring. The samples will be field-screened with a PID to detect the presence of VOCs. The laboratory samples will be selected based upon PID responses, staining, odors, or changes in subsurface lithology. Samples selected for analysis from the exterior borings will be analyzed for PAHs, VOCs, and automotive-related metals (lead, cadmium, and chromium).

Soil samples will be collected using a California modified split spoon sampler to document lithology, color and relative moisture content. The soil samples collected from the split spoon will be immediately transferred to laboratory provided glassware. Samples collected for VOC analysis will be preserved in the field by collecting approximately 5 grams of soil from the sampler using a Terracore® sampler and transferring soils into a 40-milliliter (mL) volatile organic analysis (VOA) sample vial containing methanol. Additionally, a portion of the collected soil sample from each location and depth will be transferred to a Ziploc bag for field screening with a PID.

The samples and completed chain-of-custody forms will be transported to an Arizona Department of Health Services (ADHS) licensed laboratory for analysis on a standard turnaround time (TAT) basis of 5 to 7 business days. Analytical laboratory results can be expedited for an additional fee.

Field equipment will be cleaned prior to beginning the project and before beginning each boring. Non-dedicated sampling equipment will be cleaned using an Alconox® detergent wash and potable water rinse prior to commencement of the project and between collections of each sample. Disposal of investigation derived waste (IDW) materials are out-of-scope services and not included in this proposal. See the Assumptions bullets in Section D of this proposal for additional information on IDW. Subcontracted drilling services will be supervised by an Arizona licensed driller and qualified Terracon field representative.

After the samples are collected, soil cuttings will be returned to the areas from which they were removed and the area will be brought back to grade and patched with similar surface material if appropriate.

Laboratory Analytical Program

Terracon proposes to collect a total of 15 soil samples during this investigation. Initially, five (5) of those samples will be analyzed for laboratory analysis.

Analysis	Sample Type	Number of Samples	Laboratory Method
PAHs	Soil	5	EPA Method 8270SIM
PCBs	Soil	2	EPA Method 8082
VOCs	Soil	3	EPA Method 8260
Automotive-related metals (lead, cadmium, and chromium)	Soil	3	EPA Method 6010

Preparation of LSI Final Report

Upon completion of field activities and receipt of the laboratory analytical results, a draft report will be provided to the client for review and comments and clients' comments will be considered prior to the report being finalized.

The final report will include the following:

- Documentation of field activities;
- Site plan showing sample locations;
- Boring logs;
- Analytical laboratory results;
- Data evaluation and presentation of findings; and,
- Recommendations concerning further action, if necessary.

Preliminary verbal results of the LSI may be available within 24 hours of Terracon's receipt of laboratory analytical reports. The written LSI report will be available one week following Terracon's receipt of final laboratory analytical results. This written report will reflect final results, findings and recommendations, and, as such, will take precedence over any verbal or draft reports that Terracon personnel may have provided. The analysis, comments and recommendations presented in the written report will be based on the information collected as discussed in this proposal.

Terracon's services will be performed in a manner consistent with generally accepted practices of the professional undertaken in similar studies in the same geographic area during the same period. Terracon makes no warranties, express or implied, regarding its services, findings, conclusions or recommendations. Please note that Terracon does not warrant the work of laboratories, regulatory agencies or other third parties supplying information used in the preparation of the report. These LSI services will be performed in accordance with the scope of work agreed with you, our client, as set forth in this proposal and are not intended to be in strict conformance with ASTM E1903-11.

Findings, conclusions and recommendations resulting from these services will be based upon information derived from on-site activities and other services performed under this scope of work; such information is subject to change over time. Certain indicators of the presence of hazardous substances, petroleum products, or other constituents may have been latent, inaccessible, unobservable, non-detectable or not present during these services, and we cannot represent that the site contains no hazardous substances, toxic substances, petroleum products, or other latent conditions beyond those identified during this LSI. Subsurface conditions may vary from those encountered at specific borings or wells or during other surveys, tests, assessments, investigations or exploratory services; the data, interpretations, findings and our recommendations are based solely upon data obtained at the time and within the scope of these services.

C. COMPENSATION

The cost for our services will be a lump sum fee of **\$7,985** and assumes a standard analytical TAT of 5-7 business days. Analytical laboratory results may be expedited for an additional fee. The following fees will be utilized for this project.

Project Preparation	
Service	Fee(s)
Health and Safety Plan	\$250
Subcontracted Private Utility Locator	\$300
Subtotal	\$550
Field Work	
Service	Fee(s)
Consultant Field Work (1 day field work includes mobilization/demobilization)	\$1,000
Drilling Subcontractor (includes concrete coring and patching)	\$3,475
Field Supplies (including PID)	\$225
Subtotal	\$4,700
Laboratory Analysis, including quality control	
Service	Fee(s)
Soil Sample Analysis	\$985
Subtotal	\$985
Final Report	
Service	Fee(s)
Reporting (includes project management and data evaluation)	\$1,750
Subtotal	\$1,750
Total:	\$7,985

Additional costs to analyze samples not initially analyzed by the analytical laboratory will be as follows (Note: if initial analysis does not detect elevated concentrations of analytes, additional analysis will not be conducted):

- PAHs: Standard TAT - \$80, 3-day TAT - \$100, 2-day TAT - \$120, 1-day TAT - \$160
- PCBs: Standard TAT - \$75, 3-day TAT - \$93.75, 2-day TAT - \$112.50, 1-day TAT - \$150
- VOCs: Standard TAT - \$70, 3-day TAT - \$87.50, 2-day TAT - \$105, 1-day TAT - \$140
- Metals (lead, cadmium, and chromium): Standard TAT - \$60, 3-day TAT - \$75, 2-day TAT - \$90, 1-day TAT - \$120

This proposal and cost estimate were prepared based on the following assumptions:

- Client will provide to Terracon, prior to mobilization, legal right of entry to the site (and other areas if required) to conduct the scope of services.
- Work can be performed during normal business hours (Monday through Friday, 6:00 AM to 6:00 PM).
- Client will notify Terracon, prior to mobilization, of any restrictions, special site access requirements, or known potentially hazardous conditions at the site (e.g., hazardous materials or processes, specialized protective equipment requirements, unsound structural conditions, etc.).
- Traffic control services are not required.
- Laboratory analyses will be performed on a standard turn-around time basis (approximately 5-7 working days).
- The site and proposed soil sampling locations are readily accessible by the coring and drilling equipment, and Terracon support truck.
- Field activities for the LSI will require 1 staff member for 1 working day.
- It should be noted if impacted soil is discovered during investigation on the site, the owner, operator, or similar responsible party may have reporting obligations under applicable state law or regulations.
- No environmental site assessment can wholly eliminate uncertainty regarding the potential for recognized environmental conditions in connection with a property. The proposed Scope of Services is intended to reduce, but not eliminate, uncertainty regarding the existence of recognized environmental conditions in connection with the subject property, in recognition of reasonable limits of time and cost.
- There are a number of unknown variables associated with environmental investigations. This proposal should therefore be considered a dynamic document, modification to which could be recommended by Terracon in response to the results of research or conditions encountered in the field.
- Currently, Terracon does not anticipate investigation-derived wastes (IDW) being generated as a result of this investigation. Client assumes responsibility for disposal of all IDW (soil, decontamination water, and groundwater development water), if applicable. IDW will be properly drummed and labeled, and placed at an appropriate location at the site following completion of each phase of work. Analytical costs for waste characterization of IDW is not included (requirements can be determined following initial sampling results). Provided contaminants of concern are identified by our investigation, additional sampling and analytical laboratory testing may be necessary to determine disposal options for the IDW, potentially including testing to determine if the IDW could designate as dangerous or hazardous waste.

If any of these assumptions or conditions are not accurate or change during the project, the stated fee is subject to change. Please contact us immediately if you are aware of any inaccuracies in these assumptions and conditions, so we may revise the proposal or fee.

The fee is valid for 90 days from the date of this proposal and is based on the assumption that all field services will be performed under safety Level D personal protective procedures. We have assumed that the soil sampling can be performed in one day in a single mobilization. The lump sum fee is based on the assumptions and conditions provided at the time of this proposal.

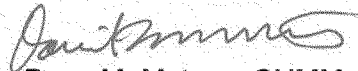
D. AUTHORIZATION

The terms, conditions, and limitations stated in the Master Services Agreement (MSA) between Terracon Consultants, Inc. and JPMorgan Chase Bank, N.A and sections of this proposal incorporated therein, shall constitute the exclusive terms and conditions and services to be performed for this project. This proposal is valid only if authorized within 90 days from the proposal date.

Sincerely,
Terracon



Derek Koller
Project Manager



Dave M. Matson, CHMM
Environmental Department Manager
Senior Associate

Accepted this _____ day of _____, 20__

JPMorgan Chase Bank, N.A

Signature

Printed Name

Attachments: Exhibit 1 – Proposed Boring Locations

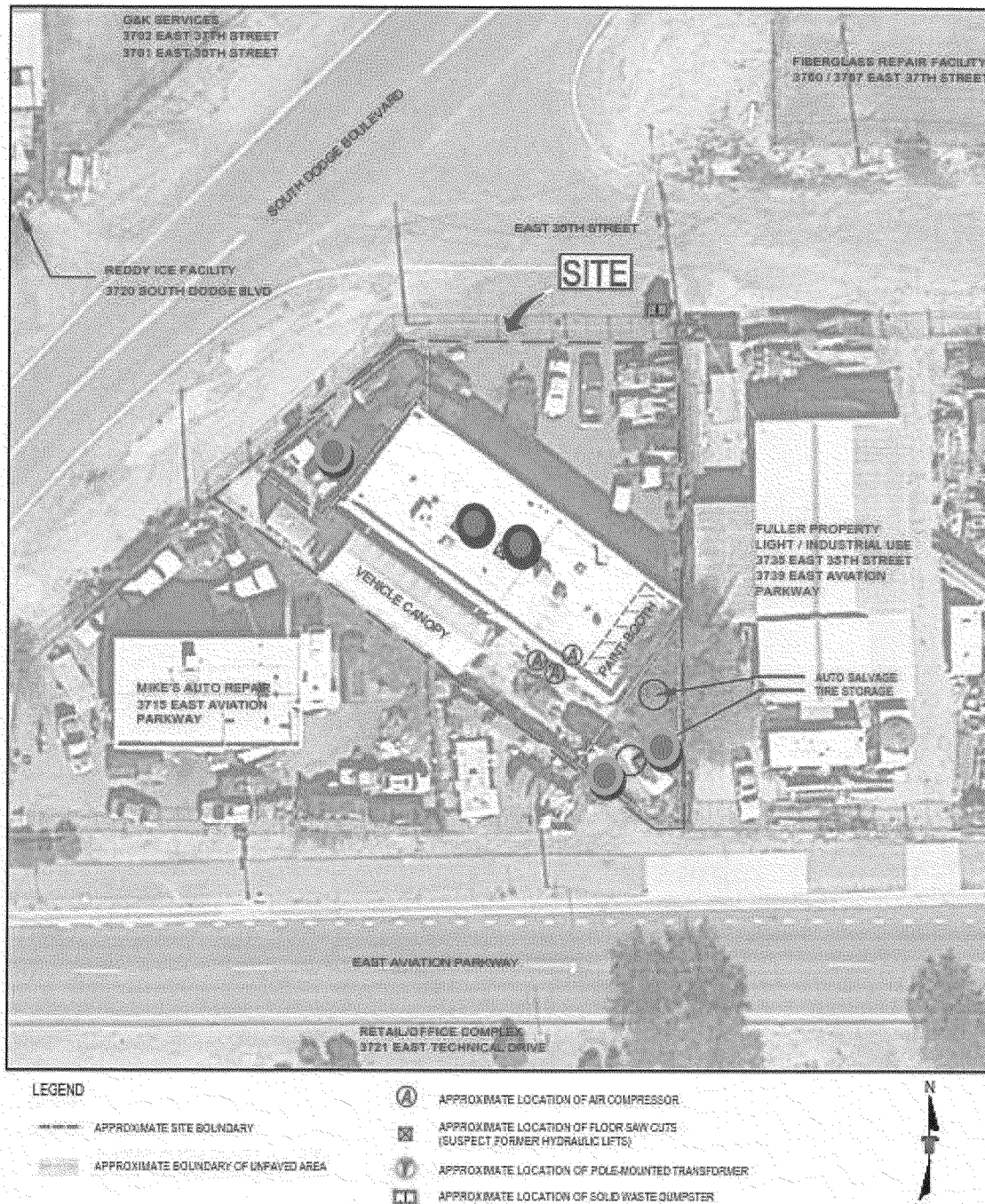


Exhibit 1: Proposed Boring Locations

● Approximate location of proposed interior borings

● Approximate location of proposed exterior borings

Boring locations may be slightly modified in the field